

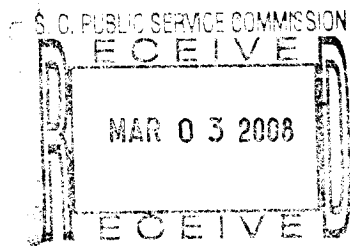
P1130



February 29, 2008

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

2006-270E



Dear Mr. Terreni:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending December 31, 2007:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$1.97
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.62 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Please note that the officer verification certificate for this report includes the Chief Financial Officer Certification, but not the Chief Executive Officer (CEO) Certification. Due to a death in the CEO's family, the CEO was unable to certify this period's report.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-7091.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michele de Lyon'.

Michele de Lyon
Principal Business Financial Analyst
Progress Energy Service Company
21450

c: John Flitter

Enclosure

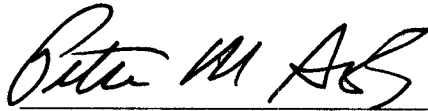
Progress Energy Service Company, LLC
P.O. Box 551
Raleigh, NC 27602

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Peter M. Scott III, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2007 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

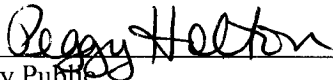


Peter M. Scott III
Executive Vice President and Chief Financial Officer
Progress Energy, Inc.

2-27-08

Date Signed

Subscribed and Sworn to before me this 27th day of February, 2008.



Notary Public

My Commission Expires:

June 25, 2011

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,393,270,862	(105,431,005)	4,287,839,857
OPERATING EXPENSE:			
NET O&M EXPENSES	2,374,675,589	(55,557,509)	2,319,118,080
DEPRECIATION	860,264,834	41,414,348	901,679,182
TAXES (OTHER THAN INCOME)	192,327,793	(2,453,998)	189,873,795
INCOME TAX - STATE	21,888,744	(302,377)	21,586,367
INCOME TAX - FEDERAL	237,790,436	(38,326,120)	199,464,316
PROV. FOR DEFERRED TAXES	38,338,165	17,554,139	55,892,304
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,719,552,549	(37,671,517)	3,681,881,032
INCOME FOR RETURN:			
OPERATING INCOME	673,718,313	(67,759,488)	605,958,825
CUSTOMER GROWTH	6,435,536	(647,257)	5,788,279
INTEREST ON CUST. DEPOSITS	(3,941,884)	-	(3,941,884)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	676,211,965	(68,406,745)	607,805,220
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	14,977,861,860	209,319,902	15,187,181,762
PLANT HELD FOR FUTURE USE	2,415,140	-	2,415,140
RESERVE FOR DEPRECIATION	(8,006,987,337)	353,766,782	(7,653,220,555)
NET PLANT IN SERVICE	6,973,289,663	563,086,684	7,536,376,347
NUCLEAR FUEL INVENTORY	280,150,025	-	280,150,025
DEFERRED TAXES - LIB. DEPR.	(677,376,819)	80,384,705	(596,992,114)
REGULATORY ASSETS	91,077,511	(65,882,826)	25,194,685
WORKING CAPITAL:			
MATERIALS & SUPPLIES	807,684,399	(201,942,163)	605,742,236
CASH WORKING CAPITAL	463,749,483	-	463,749,483
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	906,002	-	906,002
TAX ACCRUALS	(145,963,032)	-	(145,963,032)
CUSTOMER DEPOSITS	(70,139,784)	-	(70,139,784)
OPERATING RESERVES	(489,727,807)	-	(489,727,807)
CUSTOMER ADVANCES FOR CONSTR.	(32,363,751)	-	(32,363,751)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	534,145,510	(201,942,163)	332,203,347
TOTAL RATE BASE	7,201,285,890	375,646,400	7,576,932,290
RATE OF RETURN (%)	9.39		8.02

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	540,833,252	5,495,724	546,328,976
OPERATING EXPENSE:			
NET O&M EXPENSES	398,210,175	(8,528,485)	389,681,690
DEPRECIATION	62,150,726	5,700,936	67,851,662
TAXES (OTHER THAN INCOME)	13,949,919	176,274	14,126,193
INCOME TAX - STATE	4,256,826	1,201,716	5,458,542
INCOME TAX - FEDERAL	2,222,512	5,348,416	7,570,928
PROV. FOR DEFERRED TAXES	1,223,051	(8,420,412)	(7,197,361)
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	481,194,688	(4,521,555)	476,673,133
INCOME FOR RETURN:			
OPERATING INCOME	59,638,564	10,017,279	69,655,843
CUSTOMER GROWTH	207,777	34,900	242,677
INTEREST ON CUST. DEPOSITS	(359,810)	-	(359,810)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	59,486,531	10,052,179	69,538,710
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,160,753,898	30,148,526	2,190,902,424
PLANT HELD FOR FUTURE USE	347,855	-	347,855
RESERVE FOR DEPRECIATION	(1,146,895,324)	49,998,396	(1,096,896,928)
NET PLANT IN SERVICE	1,014,206,429	80,146,922	1,094,353,351
NUCLEAR FUEL INVENTORY	40,411,486	-	40,411,486
DEFERRED TAXES - LIB. DEPR.	(106,397,145)	15,620,149	(90,776,996)
REGULATORY ASSETS	15,913,707	(9,489,160)	6,424,547
WORKING CAPITAL:			
MATERIALS & SUPPLIES	101,776,674	(12,760,813)	89,015,861
CASH WORKING CAPITAL	74,371,301	-	74,371,301
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	148,266	-	148,266
TAX ACCRUALS	(17,743,466)	-	(17,743,466)
CUSTOMER DEPOSITS	(11,492,431)	-	(11,492,431)
OPERATING RESERVES	(69,800,682)	-	(69,800,682)
CUSTOMER ADVANCES FOR CONSTR.	(4,309,188)	-	(4,309,188)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	72,950,474	(12,760,813)	60,189,661
TOTAL RATE BASE	1,037,084,951	73,517,097	1,110,602,048
RATE OF RETURN (%)	5.74		6.26

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,461,197,623	47.18%	489,296,681	5.66%	27,694,192
PREFERRED STOCK	59,333,982	0.81%	8,400,388	6.09%	511,584
COMMON EQUITY	3,816,004,611	52.01%	539,387,883	5.80%	31,280,755
TOTAL CAPITALIZATION	7,336,536,216	100.00%	1,037,084,951		59,486,531

"ADJUSTED"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,408,381,483	47.41%	526,536,431	5.66%	29,801,962
PREFERRED STOCK	59,333,982	0.83%	9,217,997	6.09%	561,376
COMMON EQUITY	3,720,758,533	51.76%	574,847,620	6.81%	39,175,372
TOTAL CAPITALIZATION	7,188,473,998	100.00%	1,110,602,048		69,538,710